

## MODERN TRENDS OF THE DEVELOPMENT OF ECONOMIC AND CULTURAL GLOBALISM

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### **Abstract**

*Future of development of national economy and business sector of any country in the modern world is connected with irreversible processes of globalization. Internationalization, transnationalization and integration processes of economic life, liberalization of foreign trade policy have become essential factors determining current status of globalization. Along with this, globalization processes are mostly contradictory and positive outcomes of such processes are mainly felt by a group of postindustrial countries. They account for the largest part that is 70-80% of the use of the global resources of raw materials and energy sources while developing countries and countries in transition mostly represent just markets for sale of products (consuming countries) and cheap labor resources. Attitude of developed states towards the developing world should be construed only on principles of equal and mutually beneficial cooperation.*

*Globalization as a multidimensional phenomenon is regarded as a process of the world economic, political, social and cultural integration out of which economic and cultural globalization is the most notable and clear-cut which is built through exchange of goods, services, capital, scientific-technical expertise, professional and cultural values between the countries.*

**Keywords:** *Economic and cultural globalization, global business, modern trends of globalization, integration processes, transit corridor, export potential of Georgia, cultural heritage, global organizations.*

**JEL Classification:** *F00, F01, F02*

### **I. INTRODUCTION**

At the beginning of the XXI Georgia is on the verge of various political, economic, cultural areas and faces necessity to get effectively involved in the global world. Global problems cannot be solved only with your own experience and it is required to examine the processes ongoing in the world, to investigate experience and apply it with consideration of economic and cultural peculiarities of our country. We consider that Georgia is actively engaged in globalization processes, under bilateral and multilateral agreements is associated with the grand representative of the world economy – the European Union, the United States, China, Global Triad – the International Monetary Fund, the World Bank, the World Trade Organization and other international organizations. Therefore, objective necessity is that Georgia receives the best benefit, perspective of preserving economic progress and cultural heritage. Country's national policy, business and cultural relationships with the civilized world need to be purposeful, rational and economically justified.

### **II. GENERAL ANALYSIS**

In the 20-ies of the XXI century, the mankind is facing numerous global problems and challenges but a special attention should be drawn to economic and cultural globalization and to its research and evaluation as cultural globalism aims at depletion of religious, ethnic, national and cultural values and formation of uniform global culture. And global culture and cosmopolitan approaches are incompatible with and contradict the state national policy, national culture of any country is distinguished by its indigenous nature, historical traditions, cultural heritage which to a certain extent delay growing process of the so-called cultural globalism but there are cases to the contrary when cultural identities of the states are restricted and global culture suffers from degeneration and changes. Despite such impact, the country's national culture still preserves cultural values as it has certain self-protection mechanisms from negative processes of globalization.

The whole mankind and respectively, all cultures have many common values, beliefs and behavior but also there are many private and specific aspects distinguishing one culture from another. Culture of various countries are rather individualized, therefore, it is necessary to study multi-shaped cultural phenomena so that business and cultural cooperation between the states bring about more efficiency. Essential processes of

negotiations, business or cultural relationships will become efficient to the maximum extent if we study cultural challenges and cultural stereotypes characteristic to countries. Examination and research of cultural peculiarities are of utmost importance that is essential currently with consideration of the world globalization processes. Preservation of cultural originality and its characteristics depends on how mighty a country, nation, population is in view of nationality, how strongly it is nationally bonded and united, how powerful and comprehensive is their cultural characteristics, historical roots and to what extent are these traditions valuable and accept global transformations entered from outside. Although a nation's role and its designation has significantly diminished on the way of such transformations, it still exists and closes a way and hinders global cultural changes and innovations unacceptable for their national, indigenous culture. A wave of cosmopolitan culture in all countries reaches various levels and develops differently because culture and ideology of every country varies from the cultural consciousness of another nation, country. National traditions and cultural values are often ignored and merged into mass global processes that deprives a nation of cultural individualism and awareness distinct to this country only. New global culture becomes increasingly hybrid and multi-shaped because correlation of international process in the world is based on a super giant system of telecommunications and information technologies. Globalization of economy creates a single action area and helps the most remote regions to get closer and reduce territorial boundaries. Besides, development of global processes is strongly related to intensification of competition on the world market, globalization of financial system, liberalization and unification of international business demonstrated in application of harmonized, unified standards and regulations, formation of mega-economic policy.

Also a number of transnational companies is considerably increasing (number of head companies reaches 80 000 and their affiliates – daughter companies, branches and associations exceed 900 000 in various countries of the world) which indicates that processes of globalization lead us to trans-national and mega-economic world; economic internationalization, transnationalization, integration processes and liberalization are fundamental for development of globalization. Free trade in goods and services, international movement of capital, international migration of labor resources, increasing tendencies of formations of strategic alliances and networks, information technologies, formation of ideas and knowledge-based economy are various dimensions of globalization processes. This means that each mentioned form of global business covers the whole world and their joint operation deepens integration of economies of the countries, mutual influence and dependence which we should regard as positive trend of economic globalism though globalization serves not only to progress and integration but to disintegration as well because application of latest technologies and equipment results in growth of unemployment, stagnation of national production (due to developing countries having a status of a consumer), also increases material inequality and social stratification. As a result, globalization actually offers favorable opportunities for active involvement in community and cooperation though scientists and researches assess economic globalization as not favorable and beneficial for all countries, some countries manage rapid integration into the global world and harmonic development while others are relatively slow in adaptation. It is notable that economic globalization does not promise countries that everyone will get effect and utmost benefit from business relationships but we should take a special care that in anticipation of expected high incomes and profit we bear in mind negative outcomes and trends globalization process may bring.

Modern trends of economic globalization affect sovereign countries, continents and the world in whole. Specifically, frequent global economic, financial, energy, ecological crisis and risks, terrorism, transnational crime, smuggling, illegal trade in arms, drug business, illegal migration of labor resources are the main problems for developing and transit economy countries, also large-scale growth of transnational companies and “dictate” over national states should be considered. Developing countries and countries in transit are more sensitive to international instabilities. In this view, impact of modern economic and cultural trends on development of Georgia's economy and business sector is of utmost importance. Country needs to determine its place and business cooperation segment within the world community that is rather hard considering the influence of drastic global competition for the poor countries with transit economy undergoing transformation and reformation processes.

Economic globalization is characterized by positive tendencies as well, in particular, it is vitally important for Georgia to have close business cooperation with international markets and to share experience that is one of the basic factors for development of national industry and production of diverse Georgian products for export purposes. International competition provide for geographical diversification and expansion of sale markets. Searching and studying of ways in global business gives Georgian companies opportunity to gain innovative, management and technological experience. Accordingly, efforts should be intensified to find export markets in WHO and UN member countries though actual situation studied suggests that since 2012 up to date no export has been made to 60 countries in the world, including: Argentina, Morocco, Slovenia, Indonesia, Ireland, Finland, Egypt, Norway, Croatia, Taiwan, Zimbabwe, Ecuador, New Zealand, Hong-Kong, Malaysia, Thailand, etc. A significant volume of products with a cost of more that million GEL have been imported to Georgia from these countries the imported products not being strategically important for the country because import replacement policy, application of local resources may result in production of healthier, more high-quality and

ecologically cleaner products at minimal costs. In order to further expand export potential and reduce a country's balance of payments deficit, it is required to activate integrated marketing communications (PR technologies, promotional communications, international branding) to ensure entry of national production and its long-term existence at the international market.

At a contemporary stage not a single country can be left isolated (in an autarchic regime) and a proper methodology should be developed to address global problems. Any country should consider its role in these processes in compliance with reality and development of modern global trends. Georgia's priority is being a transport corridor for a world economy because prospects of development of our country's export potential (in view of perfection with regard to quantity and quality) are less promising in the upcoming years (over next 8-10 years) and in this view, development of tourism, banking, insurance and transit services is vital. Transit model on the territory of Georgia is affected by geopolitical factors. Prospects of developing Georgia's transit potential is already a reality and strategic interests of donor countries and international organizations are clear that will bring a significant benefit in view of economy though we should not forget global hazards and risks discussed above.

Adaptation and harmonization with economic globalization processes requires international regulations. Demand for international agreements and conventions are increasing so that sovereign states are able to coordinate national and global businesses. More comprehensive legal regulation and control of commercial banks and financial institutions, because currently global policy and legal order of the world community are fundamentally changing though this process does not weaken the national states at all, we need to revise national and global business, legislation, multilateral cooperation between the states and international organizations.

### **III. CONCLUSION**

Impact of positive and negative outcomes of economic and cultural globalism on the Georgian economy should become a ground for national security concept and inclusive development of economy while religion, traditions, historic and cultural heritage formed over many centuries, development of priority fields, production of high-quality, competitive and ecological goods and services – fundamental basis for development of Georgian economy because the country should employ irreversible processes of globalization in the modern world for economic growth, improvement of standard of living, poverty reduction, preservation of cultural heritage and people's welfare.

Any country in the world including Georgia should reduce risks of developing political, economic, financial, energy, ecological crises and a poverty level. International global organizations – the World Trade Organization, the International Monetary Fund, the World Bank group and other regional finance institutions should support developing countries and countries in transition in view of ensuring their integration and harmonization with the world economy so that every country enjoys vast possibilities of economic growth and development as a result of irreversible global processes.

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